

25X1

SECRET

Copy 7 of 8

8 May 1956

MEMORANDUM FOR: Project Director**SUBJECT : Status of Funds Committed to AEC for
Operation of Watertown**

25X1

1. In [] dated 11 April 1956, the status of funds for both Fiscal Years 55 and 56 was furnished. At the Staff Meeting held this date you were advised that Watertown Personnel had been requested to contact both AEC and Reynolds Electric and Engineering Accountants asking them to forecast funding needs for the remainder of FY-1956 and advise our financial condition. The reply was furnished through Headquarters AEC [] in the form of a TUX, which is reproduced hereunder for your information:

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CONSTRUCTION

Costs as Reported and Transferred 3-XI-56
April Costs Not Yet Reported

\$ 1,107,015.00
3,193.00

Work Requested by Local Project Personnel
with Work Estimates are as Follows:

Runway Paving	\$ 57,500.00
Hanger No. 2 Modification	26,100.00
Dust Control	6,100.00
Water Storage	7,193.00
Generator Pad	1,500.00
Contingency	<u>10,000.00</u>

108,393.00

Total Required as Known or Estimated
As Authorized by AEC Headquarters

\$ 1,215,558.00
1,190,000.00

Additional Requirements (Construction)

\$ 68,558.00

MAINTENANCE AND OPERATIONS

As Authorized in AEC Financial Plan
Costs as Recorded or Estimated

\$ 525,000.00
680,000.00

Balance

\$ 145,000.00

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PER CONTRACTORS FINAL COST STATEMENT COVERING THE PERIOD 10-1-55 TO 2-29-56
AS ADJUSTED BY CONTRACTOR AND GOVERNMENT REPRESENTATIVES AS SHOWN HEREIN

EXHIBIT "A"

PERIOD	DIRECT LABOR	DIRECT MATERIAL & SUB-CONTRACT NO EQUIPMENT	PLANT EQUIPMENT	MINOR EQUIPMENT	PLANT RE- ARRANGEMENT	TRAVEL & SUSPENSE	OVERTIME PREMIUM	PROFESSIONAL SERVICES	TOTAL ALL DIRECT COSTS	FACTORY BURDEN 85.8% DL	G & A BURDEN 11.4%	PROFIT 10%	TOTAL COSTS AND PROFIT
10-1-55 to 2-29-56	32,713.55	19,683.31 (334.80) (883.00)	1,261.50	154.00	736.62	3,686.08	3,320.68	395.00	61,950.74 (334.80) (883.00) (40.48)	28,068.26	10,262.17 (38.17) (100.66) (4.62)	10,028.12 (37.30) (98.37) (4.51)	110,309.29 (410.27) (1,082.03) (49.11)
After Cont. Alen.	32,713.55	18,465.51	1,261.50	154.00	736.62	3,686.08	(40.48)	395.00	80,592.56	28,068.26	10,118.72	9,887.94	108,767.38
Costs Questioned			(1)(1,261.50)	(1)(154.00)	(2)(736.31)	(3)(412.00)	3,280.20	395.00	(2,195.81)		(3)(462.21)	(3)(447.48)	(3,105.50)
Costs Accepted	32,713.55	18,465.51	- 0 -	- 0 -	368.31	3,274.08	3,280.20	395.00	78,496.65	28,068.26	9,656.51	9,440.46	108,661.88
Payments Affected to Date on Progress Basis (Per Contractors and Agency Records)													100,808.77
Recommended Settlement on Final Invoice No. 5-5111-8 dated April 12, 1956													5,053.11

- (1) Questioned for reason that any bidder on a fixed-price price revision basis should have manufacturing plant equipped with items necessary to perform.
(2) Questioned for reason that one-half the cost of plant re-arrangement was agreed to by contractine parties (1/2 burden and profit likewise questioned.)
(3) Questioned for reason that understanding was to accept trips of great distance as a direct reimbursement item. No local travel, nor burden or profit is considered applicable on any normally "indirect" item that is reimbursed on a directly applied basis. Accordingly all G&A and Profit have been eliminated on these items.
(4) Profit element for determination of contracting officer, but as been calculated at 10% of acceptable costs consistent with percentage employed by contractor.